

MONTENEGRO

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Capital: Podgorica
GDP per capita: \$1,277 (2001)*
Population: 650,000*

Foreign Direct Investment: \$9,000,000*
Inflation: 26% (2001)*
Unemployment: 41% Official Rate (2001)*
29% taking into consideration the gray economy (local est.)
(* Statistics provided by USAID/Montenegro)

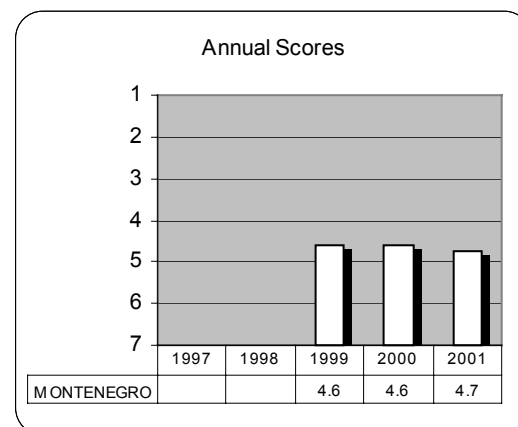
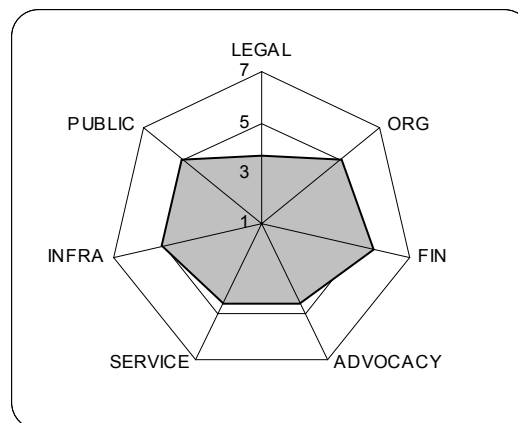
OVERALL RATING: 4.7

The Montenegrin NGO sector can be characterized by its nascent stage of development. While the new NGO law adopted in 1999 liberalized registration procedures, administrative bottlenecks in the registration process have surfaced as the number of NGOs registering soared to 1,550 as of February 2002.

While there are limitations in the Montenegrin NGO sector, it is important to note the strengths as well. During the various Balkan wars, when government agencies could not sufficiently address community needs, a number of NGOs were established to carry out significant activities and services – particularly with regard to services for refugees. This experience provided these NGOs with a relatively high level of confidence, though to some extent, a limited understanding of their role in a democratic society.

Some NGOs have succeeded in obtaining support from municipalities, including both office space and invitations to participate in local public forums. Still others have been successful in receiving funding from the government of Montenegro. Although not widespread, a few NGOs can claim a significant level of volunteer membership.

A number of NGOs focusing on youth issues have successfully emphasized regional networking and collaboration, often involving large numbers of participants in their activities. Although most NGOs do not have a high level of confidence in local government, many local officials believe that NGOs can play an important role in providing training to local government representatives in a variety of issues. A group of ten leaders and representatives from various NGOs participated in a training of trainers (TOT) program over a six-month period that provided a range of information on NGO development and train



ing. Under coordination of the Center for Development of NGOs, these 10 trainers are committed to provide periodic training sessions on a variety of topics to the NGO sector over the next three years.

LEGAL ENVIRONMENT: 3.7

The 1999 NGO Law created an open and simple registration procedure that has made it possible for many new organizations to register. However, administrative overload, as a result of the large number of NGOs attempting to register and bottlenecks in the registration process that were not apparent in the previous years, have had a significant impact on the NGO sector.

To date, there are 1,550 NGOs officially registered in Montenegro. In reality, less than 10 per cent are actively engaged as NGOs. Some of these registered organizations are, in reality, government associations and other groups that distort the statistical profile of the NGO sector.

The Ministry of Justice (MOJ) is responsible for overseeing NGO registration procedures. Unfortunately, registration problems with respect to assigning name domains are not uncommon, because of personal bias regarding the meaning of organization names in the

MOJ. For example, an NGO using the word "national" in its name is often misunderstood by the MOJ as intruding into government jurisdiction.

Montenegrin legislation is not sufficiently clear with respect to the distribution of NGO property upon dissolution of a registered organization. Presently, NGOs are able to control this through their statutes, otherwise the government is entitled to decide who receives the organization's property upon the dissolution of an NGO. Also, Montenegro's NGO Law continues to lack a conflict of interest provision.

Tax legislation affecting domestic donations to NGOs is quite liberal. Corporate donations are tax deductible up to 3% of the corporation's total income. Individual donations are tax deductible up to 10% of taxable income. A new Tax Law recently adopted by Parliament provides NGOs with an exemption from profit taxes, up to 4,000 Euros.

ORGANIZATIONAL CAPACITY: 5.0

Most NGOs in Montenegro are not concerned with operating consistently with the principles of democratic governance. Few have independent governing boards, and the division of responsibilities between those boards that do exist and the staff of these organizations is practically non-existent. Most NGOs do not have permanent full time staff, though some have an impressive number of volunteers. Administrative authority and responsibility in most NGOs are

unclear. Many organizations have only one individual with sole decision-making authority.

Most NGOs either lack an established mission statement, or have poorly defined missions. Even those NGOs that have developed a clear set of goals and objectives often continue to be involved in activities and services that are clearly outside their designated mission. Long-

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term strategic planning is almost non-existent among Montenegrin NGOs.

Some NGOs are capable of identifying important community needs and formulating ideas for addressing these needs in an effective manner. However, most NGOs still face significant limitations in attempting to plan, organize, obtain funding, and implement programs.

The vast majority of NGOs and NGO programs are focused on the capital, Podgorica. Montenegrin NGOs have limited capacity, and lack important skills in strategic planning, program de-

velopment and proposal writing. Most NGOs have little experience in lobbying, cross-sectoral collaboration, or in developing support among their constituents and communities. Organizations outside of Podgorica, particularly those in Northern Montenegro have even greater development needs and have less access to financial support and training.

NGOs rarely review the effectiveness or impact of their programs and services, which limits the ability of the sector to replicate or learn from successful programs.

FINANCIAL VIABILITY: 5.5

Montenegro's economic situation has had a direct impact on the NGO sector and its hopes for local sustainability. Corporate and individual philanthropy are not common traditions in Montenegro, and individuals and businesses do not generally have enough discretionary income to support charitable donations. The average salary in Montenegro is approximately \$90 per month.

NGOs are particularly weak in their ability to identify alternative financing sources such as membership fees, fees-for-services, income generation activities, in-kind contributions, and government and business contracts. In addi-

tion, most NGOs do not have sound financial planning techniques, accounting systems or financial management and reporting policies and practices.

Montenegrin NGOs are primarily project driven, and often alter their missions to conform to donor interests. Many Montenegrin NGOs were created specifically to respond to available donor funding.

Some support, both financial and in-kind, is available from both municipalities and the Government of Montenegro, but the process for applying for and obtaining support is not consistent, nor transparent.

ADVOCACY: 4.5

A growing number of NGO advocacy initiatives have begun to take root in Montenegro, but NGOs still face some resistance from local authorities. NGOs need training and technical assistance in institutional development and advocacy in order to take on larger community issues. A recent sector assessment by American ORT noted that most NGO leaders do not identify civic education

and participation in policy debate or legislation development as important functions for NGOs. NGO leaders believe that it is necessary for their organizations to focus primarily on activities and services that target the immediate and physical needs of their communities.

A number of NGO leaders appear to have a genuine spirit for policy advocacy and public participation, but as the American ORT assessment states, "There is general consensus among Montenegrin NGOs that they have not yet affected public policy, nor do they fully understand their potential role in influencing policy decision-making."

There are, however, a number of well-established advocacy NGOs in Montenegro, including the Center for Democracy and Human Rights, the Center for Transition, the Consumer Protection Center, and the Center for Democracy and Transition. Montenegro also boasts a number of human rights, women's rights and interethnic tolerance NGOs.

SERVICE PROVISION: 4.0

In economic terms, conditions in Montenegro are poor, with high unemployment in most areas. The NGO sector has had a limited impact on the economy.

Montenegrin NGOs provide services in a wide range of issue areas, from consumer rights to anticorruption. NGOs are active in women's and children's issues, human rights and legal aid. Some local NGO programs are promoting em-

ployment opportunities and provide employment training. Available NGO services in this area include job training in fields such as computers, sewing, secretarial skills, and English language. Most of this training is focused on women and youth. Although numerous professional and business associations have been established, they generally have few members, and are not programmatically active.

INFRASTRUCTURE: 5.0

Since many of the NGOs were established to serve needs that arose from the Balkan wars of the past decade, few are presently carrying out well-designed and effective programs – or if they are – lack accountability through monitoring and reporting. Even fewer NGOs show signs of sustainability.

Although many NGOs have succeeded in carrying out some level of joint activity, collaboration among NGOs is rare, largely because of the high level of

competition for limited donor support and because of organizational jealousies.

The overall support system for NGOs is in its early stages. NGO Resource Centers and intermediary support organizations are only just beginning to develop. Indigenous Montenegrin training capacity is limited, and most NGOs are reliant on training resources from international and regional donors.

PUBLIC IMAGE: 5.0

NGOs exist, to some extent, in most areas of Montenegro, but the general public remains ill informed about their role in society. Several NGOs include in-

creasing public awareness of the sector in their missions, but few have been successful in creating effective strategies to address the limited public under

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standing of civil society organizations, and few organizations have developed the skills necessary for successful collaboration with the media.

When there is media coverage of NGO activities, it continues to be generally positive. A growing number of people are beginning to see NGOs as a part of Montenegrin society, but a recent sur-

vey by the Center for Development of Nongovernmental Organizations showed that 28% of the public believes that NGOs are partisan and mercenary, and controlled by the State. Many people believe that NGOs are little more than tools for gaining money and influence from the West.